



Kevin Hollinrake MP
House of Commons
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10 October 2018

Dear Kevin,

Thank you for your letter dated 2nd October,

I think it is helpful that we have had a full exchange of views in relation to the Griggs Review and that we are agreed that working to identify a better form of dispute resolution for SME customers going forward is a shared goal. We look forward to continuing to work with you and your APPG colleagues on this.

While I recognise that we continue to disagree in relation to the Griggs Review, we still believe - as we discussed at our meeting with David on September 6 - that it has provided a fast and fair way to provide compensation to the victims of HBOS Reading given the challenges you have rightly identified of seeking redress through the courts. We are pleased that so far more than 95% of customers have received offers from the Review and that more than 85% of these have been accepted.

In your letter you refer to a number of outstanding cases having decided to opt out of the Review. As things stand I have not received any such requests and I am following up on this point with Heather who has also made this observation.

In relation to your comments and feedback on Clause 4 of the settlement agreements, I am pleased to have the opportunity to address this issue. The confidentiality clause in the settlement agreement (clause 4.1) is limited in scope. It only serves to keep confidential the without prejudice discussions and negotiations leading up to a settlement and the terms of the settlement itself.

Because the clause is limited in this way, it does not restrict any customer from speaking to anybody (including the police, regulators, or their MPs) about their circumstances, their claims, their case or their concerns about HBOS Impaired Assets in Reading. The only information which customers need to keep confidential is i) the terms of the agreement and ii) discussions and negotiations which led to the agreement itself.

In addition, although narrowly drawn, the confidentiality clause has a number of express 'carve outs' including the one you refer to in your letter in relation to disclosure obligations (i.e. "to the extent required by applicable lawor pursuant to any order of court" etc). There is also a clause that explicitly allows any party to notify the FCA, PRA, HMRC or the FOS of the existence or terms of the agreement without requiring consent from the other parties.

I trust that this provides the assurances you have asked for.

Yours sincerely,

A handwritten signature in black ink that reads "Adrian". The signature is written in a cursive style with a small dot at the end.

Adrian White